

# **Creating shared value through a corporate social responsibility initiative focusing on leadership development**

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## **Abstract**

This article considers the potential shared value creation of corporate social responsibility initiatives when focusing on the development of leadership capability. It is based on the outcomes of the first of a three-phase ongoing research project, concluded in 2017. The study investigated the perspectives of South African business leaders on the effectiveness of a leadership development programme that formed part of their respective organisations' social responsibility initiatives.

An empirical study was conducted with a purposive, convenient sample ( $N = 73$ ) of business leaders who finished the 12-month partnership programme. Phase 1 followed a qualitative approach that consisted of a short self-report online survey containing questions that required participants to provide a narrative description of their experience.. The qualitative data was analysed through a process of thematic analysis to determine themes or patterns within the data.

The results indicated that the distinctive design of the programme not only adds considerably to its achievements as a social responsibility programme, but also results in a leadership development programme that benefits the business leader and its organisation, thus creating shared value and responsible leadership.

## **Key phrases**

corporate social responsibility, leadership development, responsible leadership, shared value creation, under-resourced communities

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## 1. INTRODUCTION

*Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success – William Clay Ford Jr.*

Increased focus is placed on the idea of responsible leadership (Dugan, Bohle, Woelker & Cooney 2014:1-3; Pless, Maak & Stahl 2012:874). These authors contend that much more emphasis is directed on the greater social and ethical challenges business leaders have to face by engaging in more collaborative, purposeful and value-driven processes. Progressively, organisations are expected to contribute to the greater good of society, and not only the business imperative.

Porter and Kramer (2011:5) advocate the concept of creating shared value, explaining that this does not refer to merely redistributing or sharing the value created by business, but rather expanding economic and social value. It is not enough simply to add economic value through, for instance, creating competitiveness in organisations. Porter and Kramer (2015:5-6) argue instead for a process where advancing environmental and societal value in the communities in which a business operates is promoted and implemented – in other words, the “total pool of economic and social value” is expanded upon whilst simultaneously enhancing the competitiveness of the organisation.

Danciu (2016:34) explains that the urgent issues of society and the global world necessitate finding new revolutionary strategies and solutions to improve current economic and social models. Consequently, Danciu (2016:34-35) suggests that businesses need to find mechanisms and strategies complying with ethical and legal norms that focus on shared value creation. Subsequently, corporate social responsibility (CSR) is increasingly regarded as a business strategy with the aim of creating shared value (Juscus & Jonikas 2016:56).

Carroll (1989) addressed some of these concerns through the development of a corporate citizenship theory focussing on the incongruence between business and society. The way organisations treat their stakeholders and the environment is under scrutiny as organisations are regarded as members of society that are held accountable for their behaviours (Easterly & McCallion 2010:262). Carroll (1991:283) defined CSR as the “economic, legal, ethical, and discretionary (or voluntary) expectations that society has on organisations at a given point in

time.” By referring to the economic requirements of CSR (maintaining business imperatives whilst honouring their responsibilities to stakeholders), Carroll (1991) acknowledges that there is a business case for CSR initiatives.

In South Africa (as in many other countries), there is an augmented awareness of, and an expectation on leaders and organisations to become more engaged in the fight against poverty, unemployment, inequality issues, environmental matters, and the like. Businesses are increasingly expected to contribute to these causes through social responsibility initiatives (Du Preez & Van Zyl 2015:1-2). In fact, large companies are encouraged to contribute to social development initiatives through the Broad Based Black Economic Empowerment Code of Conduct (Department of Trade and Industry 2016:73-77). In addition, the South African government’s National Development Plan (NDP) (South African Government 2012:Internet) calls for active citizenship – businesses engaged in CSR programmes are motivated to align their programmes with the NDP (Du Preez & Van Zyl 2015:17).

The social responsibility programme on which this research is based holds the potential of being a CSR initiative, but with a potentially strong business case –it may thus meet the criteria of creating shared value. It is a uniquely designed South African programme that aims to address the challenge of the country’s inadequate education system in under-resourced communities (URC). The programme accepts the strong positive association that exists between high-quality leadership and effective schools (Bush, Kiggundu & Moorosi 2011:31; Naicker & Mestry 2016:1; Ngcobo 2012:419; Steyn 2012:46) and, therefore, aims to equip school principals with the necessary leadership skills to lead their schools effectively.

However, even though the focus of the programme is on the betterment of the specific school and assisting the school principal, business leaders go through a development process as well. The programme initiates a co-learning and co-action partnership between a business leader and a school principal from an URC – both these partners contribute to the change process within schools (Hartnack 2016:3).

In addition, both business leaders and school principals are exposed to a nine-facet development programme designed with the resolve to develop emotionally and culturally

intelligent leaders with resilience and a willingness to push beyond and across boundaries in unfamiliar environments (Collins 2015:89-90). Simultaneously, both partners are actively engaged at the school. Business leaders bring their management and administrative skills to the table, while school principals offer their educational skills (Collins 2015:2), thus enhancing the functioning of the school collaboratively.

Subsequently, the programme is regarded as a transformational leadership development experience for participants with the aim of developing “conscious leaders” who are equipped with knowledge, abilities, expertise and understanding on how to collaborate in ways beneficial to their organisations and communities (Collins 2015:89). Thus both the contributor (organisations and their leaders) engaging and investing in the CSR initiative, and the receiver (the school being assisted through the partnership), potentially benefit.

Subsequently, the article argues that CSR activities may hold significant benefits for the organisation engaging in these processes - should clever decisions be made as to the choice of initiative or strategy. Often this decision will fall on the shoulders of human resource managers and their departments that are seen as key role-players in affecting ethical culture and social engagement in their organisations (Du Preez & Van Zyl 2015:2; Pless *et al.* 2012:875).

This article therefore reports on a co-action, co-learning programme that partners school principals and business leaders, thereby enabling social cohesion and empowering principals to become change leaders in their schools and communities (Partners for Possibility 2017a:Internet).

The article focuses specifically on the perceived effectiveness of the programme in developing leadership qualities as viewed from the perspective of the business leaders and deliberates whether shared value was created. It concludes that the majority of business leaders experienced significant growth and development through the programme that they could re-invest back in their own workplaces, thus creating shared value.

The article makes an important contribution to the body of knowledge on shared value creation within South African social responsibility initiatives.

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## 2. LITERATURE REVIEW

The literature review below briefly addresses the theoretical framework underlying the partnership programme, whereafter it elaborates on the leadership development operative. It also discusses the potential value CSR initiatives hold in creating shared value.

### 2.1 The leadership development programme

Dr Louise van Rhyen, founder of the social responsibility and leadership development programme on which this research is based, created the programme on the principles and teachings of complexity science that comprises a multitude of interdisciplinary theoretical frameworks. The body of knowledge that focuses on aiding extensive change in complex societies informs the programme (Collins 2015:77). The programme draws on the social systems theory of Stacey (2001) called Complex Responsive Process of Relating; a theory regarding a social system as a place where people – individually and collectively – co-emerge and interact with each other (Stanley 2009:30).

According to this theory (Collins 2015:79):

organisations are people in conversation with each other, who are always immersed in the process of being an organisation. They are both changing the organisation and being changed through the experience of participating in the process of being an organisation.

Complexity theorists explain that organisations or social systems are divided into four basic types according to their complexity. A simple social system is regarded as easily knowable; a complicated system is not simple but still knowable; in complex systems, things are not fully knowable, but reasonably predictable; while a chaotic system is characterised as neither knowable nor predictable (Apello 2017:Internet).

Although this specific programme acknowledges the complexity of the school system in South Africa (see for instance Botha 2013:307-308), its originators also believe in the idea of emergence in complexity. Emergence in complexity is the belief that order will arise from the interactions between the various parts of complex systems that will be greater than, and different to, the sum of the system's parts (Collins 2015:82). Each school is regarded in the

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same light as unique, requiring a specific plan based on its very own situation, past, challenges, people and the like (Collins 2015:81).

Rather than attempting to change the entire system, the initiators of the programme regard each school as a unit of change, thus focussing on changing the education system school by school, specifically focusing on underperforming schools (Collins & Van Rhyn 2016:98). The school principal is seen as the change leader of each school, while the business partner can support the principal through sharing their knowledge and experience in leading organisational change (Collins 2015:80-81). Additionally, while the principals need the support of their teachers, both principals and teachers need parents and the surrounding community to be involved with each school – thereby implementing change through a collaborative approach (Collins 2015:81).

It is not a quick-fix solution, but an investment in change over three to four years where accountability and follow-through are expected (Collins 2015:82). Creativity and adaptability of the process is enhanced – in line with complexity science and the understanding of social systems as Complex Responsive Processes of Relating – by the quality of relationships between the various parts of the system (Collins 2015:84-85).

Collins (2015:84) explains that when schools are regarded as Complex Responsive Processes of Relating, leadership and the role of the leader are considered in a different light. Neither the school principal nor the business leader can control what happens within their assigned school. Rather, principals are confronted with ambiguity and complexity, necessitating a new way of thinking about leading the change that is necessary.

The partnership programme aims to inspire principals to lead this process with confidence. In the same vein – leaders entering the unknown territory of the schools are also challenged with a situation they do not know, but that needs change. The business leaders have no authority or control over the principal or anybody at the school – requiring leaders to influence “across boundaries and beyond authority” (Collins 2015:84). This is in line with complexity theorists’ thinking that when one embraces the complexity perspective, less focus is placed on asserting control, and more on improving relationships (Suchman 2002:18).

Suchman further clarifies (2002:18):

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By reducing anxiety, enhancing awareness of context and relationships and fostering greater receptivity and openness to being changed, a complexity perspective helps to increase the resourcefulness, flexibility and adaptability of an organization - the very characteristics that have enhanced survival and success of organisms and species throughout the ages.

These teachings of complexity theory inform the leadership development programme. Approximately ten of the co-learning and co-action partnerships existing of a business leader, and a school principal from URC, are grouped into a leadership circle under the guidance of a professional coach for a period of one year (Holtzhausen & Venter 2017:1). The leadership circles form communities of practice that allow the development of socially constructed knowledge, insight and skills (Holtzhausen & Venter 2017:iii). During this time, the partnership undergoes a well thought out, experiential development process of formal and informal learning (Collins 2015:106). The programme has a well-structured, coherent and articulated leadership development and change process consisting of mainly nine facets (Collins 2015:95-97; Partners for Possibility 2017b:Internet), carefully designed to contribute to each leadership development journey.

An important aspect of the leadership development programme consists of taking the leadership partnership out of their comfort zone through real-life engagement with unfamiliar people, schools and communities (Collins 2015:95-97; Partners for Possibility 2017b:Internet). The programme aims to give purpose and meaning to the development process through the on-going reflection and self-awareness of the partners – an emerging and development process is taking place within themselves and this leads to an ever-deepening self-discovery and development of the participants' latent potential (Partners for Possibility 2017b:Internet).

Collins (2015:89-107) clarifies the purpose of the leadership development methodology explained above as to develop leaders who are self-aware (emotional intelligence), resilient, able to cope with complexity and ambiguity, possess cultural intelligence, empathise and connect to people deeply and lastly, who are conscious of the social, moral and environmental impact of their organisations.

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## **2.2 The potential of corporate social responsibility initiatives in creating shared value**

Various studies confirm that there is a positive relationship between CRS initiatives and organisational benefits. According to Caplan, Dutta and Lawson (2013:24), business leaders increasingly acknowledge their responsibility to the communities in which their organisations operate. Scholars agree (e.g. Carroll & Shabana 2010:85-105; Dey & Sircar 2012:36; Du Preez & Van Zyl 2015:1; Luga & Albu 2016:393) that a strategic approach to CSR aids an organisation's competitiveness and results in benefits relating to customer relationships, innovation capacity and human resource management, and may yield a return on investment.

Similarly, results of another study suggest that CSR activities enhance the value of businesses. The more they engage in these activities, the more positive a firm's perceived value (Li, Tao & Minor 2016:611). Chernev and Blair (2015:1412-1413) refer to the generally accepted benefits of improved public relations and customer goodwill, but further point out that CSR initiatives may also positively influence consumer perceptions of the functional performance of the organisation's products. Mishra (2017:303) found that organisations that demonstrate potential growth opportunities, benefit through strategically investing in CSR activities.

Another study found that CSR initiatives contribute to stronger organisational commitment and increased organisational citizenship behaviours (BeBe & Bing 2016:28-29). Winter and Jackson (2014:311) argue that values-based organisations focusing on the intrinsic values of (amongst others) societal contributions may attract younger workers. Juscus and Jonikas (2016:62-66) maintain that although CSR initiatives only potentially create value for government, they do create value for the environment, society, customers and employees; while also positively contributing to the marketing and financial value of a company.

These are but some of the benefits documented for CSR initiatives. However, the question remains as to whether the leadership development programme with its unique design described above contributes to enhanced leadership capabilities for business leaders, thus adding value to participating organisations, and not only participating school principals.



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Should this be the case, partaking in the programme would be in line with Porter and Kramer's (2011) idea of shared value creation.

Porter and Kramer (2011:6-8) confirm the interdependency between organisations and their communities. For instance, the community may need jobs and wealth creating opportunities, while businesses need a successful community to create a demand for their products and a supportive environment. Similarly, an organisation investing in a wellness programme may benefit employees and their families as they become healthier, while the organisation benefits through lower absenteeism and higher productivity. This is a different way of considering business as companies realise that they can create economic value by creating societal value (Porter & Kramer 2011:7).

Without the creation of shared value, programmes are not easily justifiable over the long run, and thus unsustainable. As Juscus and Jonikas (2016:55) explain: "In contrast, creating shared value is integral to the company's profitability and competitive position. It leverages the unique resources and expertise of the company to create." It supersedes CSR initiatives that only focus on reputation with inadequate connection to business imperatives (Porter and Kramer 2011:16). Juscus and Jonikas (2016:55) clarify that the focus is on economic development – thereby enriching the economic context within which the organisation operates through for instance, job creation and skills development.

Nonetheless, De Los Reyes, Scholz and Smith (2017:160-161) caution that in creating shared value, organisations should actively ensure that they are either norm-takers (ensuring that there are norms to follow when making CSR choices), or norm-makers – should there not be legitimate norms to follow. De Los Reyes *et al.* (2017:160) thus warns against presuming the compliance with legal and ethical issues, and advocate for a norm-taking framework.

There are mainly three ways that organisations can create shared value opportunities, namely, by reconceiving products and markets, by redefining productivity in the value chain, or by enabling local cluster development (Porter & Kramer 2011:5). By enabling local cluster development (Porter & Kramer 2011:12), organisations acknowledge that supporting companies and the infrastructure around them affect their success – it is argued that the partnership programme may potentially fall within this category.

Additionally, internal costs are created by deficits in the framework conditions surrounding the cluster (Porter & Kramer 2011:12) – so, for instance, will poor public education create internal costs for organisations. Organisations therefore need to identify gaps and deficiencies in areas that represent the greatest constraints for them and address these – thus creating shared and sustainable value (Porter & Kramer 2011:14-15). Porter and Kramer (2011:17) conclude:

Not all societal problems can be solved through shared value solutions. But shared value offers corporations the opportunity to utilize their skills, resources, and management capability to lead social progress in ways that even the best-intentioned governmental and social sector organizations can rarely match. In the process, businesses can earn the respect of society again.

The challenge then lies in selecting CSR programmes that are sustainable and that create shared value.

### **3. PROBLEM INVESTIGATED**

Prior research was conducted on the perceived effect of the partnership programme on the leadership capabilities of school principals, determining that it had a positive impact on participating schools and their principals (Hartnack 2016:5).

However, no prior research was undertaken on the perceived effect of the programme on the business leaders partnered with the school principals. Subsequently, this research project was launched to determine the perceived effectiveness of the leadership development programme for participating business leaders.

### **4. RESEARCH OBJECTIVES**

To investigate the perceived impact of the programme, a qualitative research initiative running over three phases was initiated in 2016. Phase one, on which this article is based, consisted of a short self-report online survey that allowed for narratives to ensure qualitative data. The questions were designed to explore the experiences and perceptions of participating business leaders with regard to five specific areas.

Firstly, the researchers wanted to determine the perceived effect of the programme on the development of leadership qualities (relating to influence, interpersonal relationships, flexibility of leadership style, decision-making capacity, dealing with complexity, ambiguity and diversity).

Secondly, the research aimed to determine the business leaders' (changed) perceptions of URC within the South African context.

The third research objective related to the business leaders' exposure to people of other backgrounds, determining how this influenced their perceptions of diversity issues.

Fourthly, the research aimed to determine the impact on leaders' sense of meaning and contribution, while the fifth objective was to ascertain the leaders' views on active citizenship.

## **5. RESEARCH METHOD**

This article only reports on the first phase, which was concluded during the first quarter of 2017. The second and third phases will consist of in-depth semi-structured interviews with a selection of the business leaders who also participated in phase one, as well as with their team members, focusing specifically on getting more detailed knowledge and on creating an in-depth understanding of the qualitative data of phase one.

The first section of the survey requested biographical information. The second section of the survey contained questions on a dichotomous scale (yes/no) which determined the follow-up open-ended questions, prompting participants to explain their answers. The third section contained questions on a five-point Likert scale, again followed by open-ended questions to allow a narrative description of participants' experiences and perceptions. A rich set of qualitative data was obtained. Quantitative data was only used for descriptive purposes. The questions were constructed in such a way that business leaders could share both positive and negative experiences. The last question asked participants to give three words that best described their experience of the programme.

The qualitative data was analysed according to a process of thematic analysis to determine themes or patterns within the data (Braun & Clarke 2006:6; Brooks, McCluskey, Turley &

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King 2015:206; Vaismoradi, Turunen & Bondas 2013:400). This process consists of a Six-Phase Approach to Thematic Analysis as described by Braun and Clarke (2006:15-23).

A purposive voluntary sampling strategy was followed, thus selecting particular prospective participants who will best be able to answer the research questions (Saunders, Lewis & Thornhill 2012:138). Hence, only business leaders who have completed the year programme and whose contact details were available were included. This constituted a population size of 294 to which 74 business leaders responded, but one business leader indicated that he/she did not want his/her survey recorded. Thus, only 73 responses were recorded, resulting in a 25% response ratio. The response ratio limits the generalisation of the quantitative findings to only the participants to this survey. However, a number of 73 participants provide a rich qualitative data set that permits deeper insight and understanding of the results that emerged from business leaders' experiences.

Four criteria for ensuring the trustworthiness and rigour of a qualitative research study (Lincoln & Guba 1985, as cited in Vaismoradi *et al.* 2013:403) was considered: credibility, transferability, dependability and confirmability. This was regarded as important as it influences the quality of the results, as well as the ethical and responsible use of the results.

Ethical clearance was obtained for the project from a tertiary institution, and ethical principles followed throughout. The participants were made aware that participation was voluntary and that they were free to withdraw from the research without being penalised in any way should they have decided to do so. Electronic informed consent was received by all participants when they completed the online survey, and participation was anonymous.

## **6. RESULTS AND FINDINGS**

### **6.1 Demographic data**

Most of the business leaders (37%) who participated in the research range between the ages of 46 and 55, followed by business leaders over the age of 55 years (26%), and 24% of leaders between the ages of 36 and 45. The greater part (87%) was thus experienced business leaders over the age of 35 years. The majority of participating business leaders (63%) were white, with the next largest group (14%) being Africans. The gender-distribution

of the research was somewhat close with 54% male participants against 42% female (4% of participants did not respond to the question). The participants were from six South African provinces, with the largest footprint in the Western Cape (37%), followed closely by Gauteng (36%).

## 6.2 Findings derived from the quantitative data

Findings – relating specifically to the perceived effectiveness of the programme in developing leadership qualities in business leaders – are discussed in the following sections.

Table 1 summarises the answers to five of the dichotomous questions asked of participants.

It shows that the majority of participants' had a very positive experience of the leadership development programme and that a number of important issues were addressed, such as improving the way business decisions are made, and on issues relating to diversity appreciation. These questions were all followed by open questions allowing participants to expand on their answers, as discussed in the next section.

**TABLE 1: A selection of relevant dichotomous questions (Question 1-5)**

Question		Yes (%)	No (%)	No response (%)
1	Did you find (the programme) to be a valuable process to develop your leadership skills?	88	8	4
2	Did your (programme) experience improve the way that you make business decisions?	73	19	8
3	Would you recommend (the programme) to other business leaders who wish to develop their leadership skills?	83	7	10
4	Did your (programme) experience change the way that you see under-	81	8	11

Question		Yes (%)	No (%)	No response (%)
	resourced communities in South Africa?			
5	Has (the programme) made any difference in terms of your exposure or friendship with people of other backgrounds?	67	19	14

Source: Holtzhausen & Venter 2017:11

Some further questions were asked from participants on a five-point Likert scale pertaining to specific leadership development aspects. Again, these questions were followed by open-ended questions to gain a deeper understanding of the participants' experience and perceptions.

Table 2 summarises relevant highlights derived from the data gathered through the Likert-scale questions, summarising the most important benefits of the programme for business leaders.

**TABLE 2: A summary of leadership skills that were developed**

Participants indicated that the programme:	
▪	ignites active citizenship
▪	enhances business leaders' understanding of the South African context
▪	develops a collaborative mind set
▪	breaks down diversity barriers (cultural, racial, socio-economic, gender)
▪	adds a sense of contribution and meaning to the lives of business leaders
▪	improves their ability to facilitate change
▪	enhances leaders' capacity to adapt, deal with ambiguity and work across traditional

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boundaries
▪ improves leaders' capacity to influence without direct control
▪ enhances the value placed on relationships and the ability to contract for generative, adult-to-adult relationships
▪ improves listening skills

Source: Holtzhausen & Venter 2017:11-15

While the majority of business leaders indicated that the programme has developed their ability to deal with complexity and volatile environments, these scores are lower than the scores on other areas of leadership (such as developing a collaborative mind-set). This suggests that while the programme contributes to the development of dealing with complexity, business leaders are not as confident about their ability in this area.

A very interesting finding is that the results from the Likert-scale questions show that only 55% of business leaders feel that the programme has made them less autocratic in their leadership style.

However, the discussion below will show that in the qualitative data, a very strong theme that permeates the whole data set has emerged indicating that business leaders have become less directive and have shifted to a more flexible and inclusive leadership style. It is possible that business leaders who choose to participate in these kinds of programmes are already collaborative by nature.

This is one example of a contradiction in the data that will be further probed in the second phase of the study, to be reported on in further articles.

### 6.3 Findings derived from the qualitative data

The qualitative data gathered during phase one offered a rich and informative set of information about the development of the leadership skills set of business leaders. The most important aspects are discussed below.

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### 6.3.1 Value of programme in development of leadership skills

Participants were asked whether they found the programme valuable to develop leadership skills. When participants answered yes, a follow up question was asked, namely: *In what way did (the programme) develop your leadership skills?* Where they answered no, the question that followed was: *Why do you feel (the programme) did not develop your leadership skills?* As indicated in Table 1 above, a majority (88%) of participants answered that the programme was a valuable process to develop their leadership skills.

From the data one may conclude that the term “leadership skills” is seen not only as a set of skills (e.g. empowering others, creating opportunities, conflict management skills, diversity management, and so forth), but also relates to a specific leadership style. Three themes were identified under this question, namely, a shift in leadership style, the development of leadership skills and diversity appreciation.

#### Theme 1: Shift in leadership style

The data under this theme indicated that participants’ view of leadership was broadened and a more flexible approach to leadership was developed. Three sub-themes were recognised under this theme, namely a decrease in authoritative leadership style, changing views about leadership, and lastly, the value of empowering others.

Under the first subtheme (a decrease in authoritative leadership style), participants indicated a shift away from an autocratic, directive and instructive leadership style to a more participatory and collaborative leadership style. They realised that it was not so much the hierarchical position that provided their basis of power or control, but rather when leadership stemmed from an authentic position. The following data extract summarises this well: *“I am less directive and autocratic... I have learned how to influence without direct authority and control”* (participant 45). Similarly, participant 13 commented that he/she learned: *“...to influence authentically and not lead through power”*.

But for 19% of participants, the leadership style shift seemed to influence the way the majority of business leaders’ take decisions. They take more time to facilitate a collaborative approach, thereby ensuring buy-in. The reply of the following participant clearly illustrates this:



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By equipping me to harness the power of the collaborative process, and including others in the decision making process, that makes it our decision, rather than just mine. The buy-in is greater and this translates into commitment and ownership (participant 63).

However, one participant indicated a move away from a more democratic leadership style to a more autocratic one based on the trust relationship between the specific leader and his/her subordinates. This may emphasise the increased insight business leaders seemed to have gained:

I was too much focusing on ensuring business decisions would be constituted in a democratic process amongst colleagues. I am – funnily enough – now a bit more autocratic. This is due to the appreciation I have for the trust my colleagues have in my understanding of matters to make the informed decisions if and when it is needed (participant 66).

Leaders emphasised that a collaborative approach was especially necessary when aiming to reach a decision or a solution that potentially has long-term consequences for all stakeholders:

I am no(w) always thinking of the long-term impacts of any decisions I am taking; how is it going to be received and how is it going to benefit the greater society and all involved. The focus is not just on the here and the now – but on what will be sustainable (Participant 24).

Participants indicating no change in decision-making methods indicated that this was mostly because of the complete differences in the school versus business environments.

As indicated above, the second sub-theme related to “changing views about leadership”. Many participants alluded to how differently they now viewed the role of a leader. Comments referred to the importance of collaboration; and as a leader, to ensure that the power of the collective resources of an organisation is acknowledged and utilised. They also stressed the importance of recognising different viewpoints.

Additional aspects that were emphasised are the significance of “*find(ing) commonalities of purpose*” (participant 20), and to recognise that different contexts require different leadership styles. Additionally, it was stated that a leader should rather facilitate the process than to direct the process, for instance through clearly defining the issue at hand and thereafter

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allowing a discussion on it. Such a process, it was said, enhances ownership of decisions. The following quotes summarise many of these issues:

It changed my concept of a leader from one who directs and leads to one who convenes the gathering, get the right people into the room and name the issue powerfully to enable an engagement of all present. It taught me the importance of recognising and dissolving my power... so that the voices of the others can be amplified and ownership resides with the group. It also changed my notion of the leader as an expert to one of process facilitation... I also learnt about the power of the collective voice and(it) made me redefine both my roles and responsibilities (participant 70).

The programme really made tangible the concepts of leadership by collaboration. Understanding that each individual in a community or organisation has his/her own specific strength. Tapping into all the strengths – especially those which are different to mine can lead to incredible achievements... For me the most important lesson, however, was that real leadership comes from putting my own agenda aside... rather to listen to all stakeholders, find commonalities of purpose and allow each member of a team to get involved and work together... sometimes it is better to let go of total control – you can achieve more this way (participant 20).

It taught me that leadership and its challenges differ from context to context and one cannot just apply a one size fit all style... what matters most is output and not who or where you are in the structure (participant 24).

As explained above, the third sub-theme under the main theme of a shift in leadership style, related to “the value of empowering others”. Participants experienced that they empowered people when practising a different and more collaborative leadership style. For instance, participant 67 indicated that he/she “...practice(d) the ability to enable others to grow in confidence and decision making”.

## **Theme 2: Development of leadership skills**

The second recognised theme related to the specific kinds of leadership skills developed. Interestingly, although references to an increased sense of collaboration and contracting with stakeholders permeated the whole data set, it was not mentioned as a leadership skill.

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This suggests that leaders themselves are unclear as to what they include and exclude under the umbrella term “leadership skills”.

Even so, six sub-themes were identified under this theme. The first of these relates to ‘listening’, for instance participant 61 mentioned that he/she learned about: *“Practical empathetic listening, appreciation of the viewpoints of others and the patience to wait and listen for these valuable viewpoints”*. Another participant commented: *“Listening being the key factor in gaining rapport and respect of the speaker”* (participant 41). Secondly, “conflict management” was identified as a sub-theme. For instance, participant 30 indicated that: *“...It gave me a lot of additional tools to work with... for example how to approach individuals that aren't cooperating...”* A third sub-theme related to “self-awareness and growth” – participant 76 elaborated:

I have moved from being a human doing and executor of tasks to a human being... I am becoming a whole person... I have learned that my thinking not only shapes my outcomes but also impacts the people I interact with... that I have the ability to be a winner and not be defeated in my approach... The quality of engagement and contracting has become fine-tuned. I engage now with intent on learning and have become more aware of what I say as opposed to rattling off instructions... also to hear from others (if) what I have said made sense to them... that it takes many smaller whole communities to make a society function adequately and that I impact my community in the way I speak, listen, show up and the way I make the community feel... I am on a journey of becoming kinder and more compassionate and I am learning humanity on the journey.

Fourthly, a sub-theme called “Creativity and adjustment” was identified. Participants 5 and 6 explain:

It is innovative, reflective, action and co-learning driven and useful for leading in multiple stakeholders and agendas, in uncertainty, unpredictable contexts and across traditional boundaries (participant 5).

It helped me to think out of the box and figure out ways to bring my business experience and apply it in a community with very few resources... I needed to learn to adjust and find common ground and that sometimes situations require one to be autocratic (participant 6).

Participants also commented on enhanced “application of skills” – the fifth sub-theme identified. They commended the value of the formal learning opportunities, and stated for instance (participant 69), that some of the instilled principles still guide him/her and that he/she is “...*better equipped to differentiate between the presenting vs. underlying issue, deal with resistance, give feedback, contract outcomes, etc.*”

Lastly, under the sixth and last sub-theme called “other”, a number of skills were mentioned, for instance “...*stepping into other peoples’ perspectives*” (participant 14), having more patience, dealing with passive resistance, communication skills and some more technical aspects such as enhanced presentation skills.

### **Theme 3: Diversity appreciation**

A third theme that was identified pertaining the value of the programme as a leadership development programme related to how participants’ views changed regarding diversity issues, and how they experienced an increased appreciation of different cultures and communities.

A variety of sub-themes regarding diversity appreciation was identified, of which the most important will be discussed. Two subthemes related to the “exposure to URCs”, as well as a greater “appreciation of challenges in URCs”. Participants felt that they were taken out of their comfort zones, and that they were now more aware of the socio-economic challenges faced by URCs in South Africa. Participants came to the understanding that they cannot continue to “*live in (a) bubble*” (participant 14), but had to become involved in creating change and positive outcomes. Participants felt less judgemental, and more accountable. They also understood the challenges, and why people “*react the way they do*” (participant 34). Participant 74 explained it as follows:

I have always been involved in under resourced communities but from a church perspective, we go out, we provide, we share the gospel, we leave. This programme required that I engage over a longer period of time, that I understand fully, that I engage at different levels ... that I fully understand the context in order to find a solution that will enable the community to grow.

Additionally, participants became aware of the importance of social justice and commented on how privileged they were.

Another very important subtheme related to ‘acceptance of diversity and finding similarity’. Participants felt that their prejudices and preconceptions (regarding race, culture, age etc.) of others were challenged. Participant 21 explained that “... *it breaks down barriers between races, ages, societies.*” One may perhaps summarise that stereotyping was addressed; as an example, participant 37 explained:

It really opened my eyes to the challenges faced by so many people in SA and sensitised me to the difficulties that many of our wage earners face every day... It challenged my perceptions very deeply and had me looking at my prejudices and preconceptions in a way that I never had before.

Differences between cultures and racial groups were progressively accepted, while similarities were also explored and acknowledged. Participants felt that they would not have had this appreciation of diversity, were it not for the exposure provided by the programme. For instance, participant 75 stated: “*I had direct exposure to communities that I would not normally have through my current social and business network.*”

Table 3 explores some of the other narratives found in the data set on this sub-theme and shows the potential contribution such programmes may hold for greater diversity acceptance.

**TABLE 3: Responses showing acceptance of diversity and finding similarity**

Participants responses on diversity appreciation
Within these two very different environments you find many common challenges especially around hierarchies, status, building collaborative teams – participant 20
The diversity in people and the different contexts in which this exposure took place have provided me with a much deeper cultural appreciation and... enabled me to cultivate much healthier relationships in the workplace – participant 22

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Assists us to understand different people and their challenges and more especially to learn from them - participant 24
Respect and appreciation of diversity in thinking and feeling... improves understanding for working with different people - participant 34
Awareness of diversity and how to interact with different people - participant 42
More people within the organisation have... become more aware... and... more accepting of other people's cultures - participant 43
We are all the same, despite our perceptions of difference - participant 63

Source: Holtzhausen & Venter 2017:26

Three more subthemes related to the “importance of relationships”, “a give and take relationship”, and of “collaboration across diversity”. Participants realised the value of relationship building and again it was mentioned that a collaborative approach was necessary to achieve desired outcomes. In this regard, participant 24, for instance, stated: *“Collaboration is key in this programme - divided we fall and united we are strong”*. They also realised the importance of a give-and-take relationship, where both parties share in their knowledge, resources and networks. For example:

We relied on our networks, shared our thoughts openly and focused on the possibilities rather than the obstacles. We have relied on our influencing skills, our credibility and focus to make things happen.... I can now speak with authority and experience on the importance and value of working together to make real change in this country (participant 16).

The environment is one that is overwhelming as you do not have control over it, and the resources to meet the needs are not available. The process teaches you to work with what you have and through participation of the community a difference can be made... in (this programme) you learn to lead through influence and relationships (participant 51).

Given that most business leaders who worked alongside educators from URC in the programme are white males, one may deduce that these changes resulted despite the

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diversities present in the relationships – an extremely important outcome of the programme, given South Africa's history.

When asked whether they (as business leaders) would recommend the programme to others as a leadership development programme, the vast majority of participants indicated that they would. Reasons given referred to the programme's meaningfulness, networking opportunities, the changes experienced in leadership skills' set, the programme's contribution to a changed outlook of South Africa, the value of experiential learning and lastly, because of the value experienced in cross-sectoral collaboration. A selection of replies below illustrates the point:

It gave me an opportunity to contribute to solving the problem instead of just complaining about the problems... (participant 19).

I have done many leadership and personal development programmes... and almost without exception I have been motivated by the programme... for a week or so thereafter but quickly slipped back into the old way of doing things. (The programme) is different - it takes you out of your comfort zone and places you face to face with the harsh realities of our divided society. It asks questions that we may not want to answer and it changes perceptions. I do not believe that one can participate in the programme and not be changed permanently as a result. It is not a rehash of all the old management stuff - it is face to face, coalface stuff that demands personal change (participant 37).

### **6.3.2 *Factors detracting from the value of the programme as a leadership development intervention for business leaders***

Notwithstanding the mostly positive comments on the programme, six of the 73 participants (8%) responded in the negative when asked whether the programme developed their leadership skills. A discussion on the results of the data yielded through the question: "*Why do you feel that (the programme) did not develop your leadership skills?*" as well as from a perusal of the full data set indicated mainly three aspects.

The first of these linked to problems experienced within the partnership that was formed, specifically when a school principal was perceived to be either too dependent or independent. Additionally, some participants experienced personal barriers, based on their

own expectations of the programme. Mostly these participants did not expect to learn anything –indicating reasons related to their advanced age, or because they felt that this was not the focus of the programme, or because of previous experiences which already shaped their way of doing.

Five of the 73 participants (7%) also indicated that they would not recommend the programme as a leadership development programme as it only allowed for limited leadership development opportunities. Nonetheless, according to these participants, the programme lends itself to self-growth, mentoring or coaching skills, team building, or gaining a better perspective on the broader issues South Africa is dealing with. Ironically, these participants' narratives echo the narratives of the participants who felt that the programme should be recommended as a leadership development programme – however, the comments from these participants suggest a definition of leadership that excludes the capacity to coach and build teams as leadership competencies.

## **7. LIMITATIONS OF THE STUDY**

The qualitative design of the research yielded a rich data set. Nonetheless, the main limitation of the study relates to the response ratio of the quantitative data which, given the population size, does not allow inferential statistics to be conducted. It also limits the result of the quantitative data to the participants who responded to the survey and cannot be regarded as representative of the population.

## **8. CONCLUSIONS**

The article pointed out that there was an enlarged focus on the idea of responsible leadership (Dugan *et al.* 2014:1-3; Pless *et al.* 2012:874) where leaders acted more collaboratively and purposefully; and supported value-driven processes. Similarly, the article discussed the concept of creating shared value (Porter & Kramer 2011). As Porter and Kramer (2011:15) conclude: "... not all profit is equal" and "... profits involving a social purpose represent a higher form of capitalism" that results in a positive cycle where both the organisation and the community prosper, leading to sustainable profits. Furthermore, they reason "the opportunity to create economic value through creating societal value will be one



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of the most powerful forces driving growth in the global economy” (Porter and Kramer 2011:15). It is argued that both the objectives of responsible leadership and shared value creation may be addressed through initiating strategic and well-designed CSR initiatives.

Consequently, the article reported on a CSR initiative developed to address one of South Africa’s greatest challenges – namely the upliftment of the South African education sector. However, for purposes of this article, the emphasis was not on the schools or education sector (the beneficiaries of the programme), but rather on the business leaders who engaged in the CSR initiative.

The article thus considered the potential benefits that may be ploughed back into the organisation, should the chosen CSR programme create reciprocal value for the organisation. The article therefore reported on the perceived effectiveness of the leadership development programme as described by business leaders who completed the programme. It concludes that leaders experienced growth in leadership capabilities and have a greater understanding of the complexities of the environment within which South African businesses operate.

More specifically, business leaders indicated that the programme gave them a heightened consciousness and better understanding of the social, moral and environmental impact of their organisations within the South African context. It enhanced their capacity to adapt, deal with ambiguity and work across traditional boundaries, while simultaneously breaking down diversity barriers – thus facilitating a greater cultural intelligence. Being exposed to the challenges URC face in South Africa not only created a greater understanding, but added a sense of contribution and meaning to their lives. It also ignited a moral consciousness of social justice and a sense for the importance of being active citizens.

Additionally, a number of leadership qualities - relating to influence, interpersonal relationships, flexibility of leadership style, decision-making capacity, dealing with complexity, ambiguity and diversity - were developed. Leaders indicated that they established a collaborative mindset; and better understand the value of relationships. This assisted them in facilitating change, even without having direct control in the change process. It also affected a leadership and decision-making style where more emphasis is placed on being collaborative, inclusive and consultative. Consequently, as leaders, they

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moved from the role of expert to the role of facilitator. This allowed the exploration of the collective gifts and wisdom of team members and allowed a space for them to contribute and co-create solutions. Subsequently, leadership has become a reciprocal concept.

Furthermore, the programme positively influenced communication skills, for instance by improving participants' listening skills. Their ability to contract for generative, adult-to-adult relationships improved. They experienced greater resilience. Their self-awareness (and thus emotional intelligence) improved, also allowing for flexibility in leadership style and decision-making practices. Business leaders described their experience as humbling, life-changing, rewarding and impactful. Nonetheless, the results also indicated that while most of the business leaders feel better equipped to deal with complexity and volatile environments, more could be done in this regard as business leaders still lack the necessary confidence herewith.

The question then remains – does a CSR initiative such as the one described above holds the potential to create shared value and the opportunity for leaders to act more responsibly? Perhaps one of the replies by a participant on why the programme is important for South Africa, best answers this question:

Because business leadership in South Africa cannot be disconnected from the real socio-economic realities of our country, because an investment into people always surprises you on the up-side; because education matters - period. And because positive change can be brought about through active citizenship (participant 22).

Previous research indicated the success of the programme for the school principals and their schools and communities (Hartnack 2016). This research showed that business leaders and their organisations equally benefitted from the programme as business leaders reported an increase in leadership capabilities and understanding of the South African context and its people. Concurrently, businesses also gain value through indirect benefits derived from the programme, such as communities that are better educated, resulting in a potentially higher skilled pool of employees. The article concludes that organisations should embrace CSR initiatives allowing for the creation of shared value and responsible leadership.

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